

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII**

In the Matter of the)	PUC DOCKET NO. 2008-0273
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PUBLIC UTILITIES COMMISSION)	
)	
Instituting a Proceeding to)	
Investigate the Implementation Of)	
Feed-in Tariffs)	
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PUBLIC UTILITIES
COMMISSION

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**SOPOGY, INC. COMMENTS ON PROPOSED CONCEPTUAL FRAMEWORK FOR
RELIABILITY STANDARDS WORKING GROUP**

AND

CERTIFICATE OF SERVICE

Pamela Ann Joe, Esq.
VP of Public Policy and General Counsel
Sopogy, Inc.
2660 Waiwai Loop
Honolulu, HI 96819

Telephone: (808) 237-2424
Facsimile: (808) 356-0565
Email: pjoe@sopogy.com

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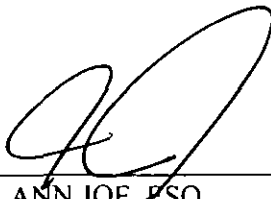
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**SOPOGY, INC. COMMENTS ON PROPOSED CONECTPUAL FRAMEWORK FOR
RELIABLITY STANDARDS WORKING GROUP**

SOPOGY, INC., a Delaware corporation (the “**Company**”), respectfully submits the following comments on the “Proposed Conceptual Framework for Reliability Standards Working Group” filed with the State of Hawaii Public Utilities Commission (the “**Commission**”) by the Hawaiian Electric Company, Inc. (“**HECO**”), Maui Electric Company, Ltd. (“**MECO**”) and Hawaii Electric Light Company, Inc. (“**HELCO**”, and collectively with HECO and MECO, the “**HECO Companies**”), as Attachment 1 to the February 26, 2010 letter captions “*Docket No. 2008-0271 – Feed-in Tariff (“FIT”) Proceeding Response to Commission Letter of February 19, 2010*”.

Respectfully submitted.

DATED: Honolulu, Hawaii, March 15, 2010



PAMELA ANN JOE, ESQ.
VP of Public Policy and General Counsel
Sopogy, Inc.

COMMENTS ON PROPOSED CONCEPTUAL FRAMEWORK FOR RELIABILITY STANDARDS WORKING GROUP

The Commission issued the Decision and Order, dated September 25, 2009 (the “**D&O**”), to the HECO Companies “to develop reliability standards for each company, which should define most circumstances in which FIT projects can or cannot be incorporated on each island,” *D&O* at 53. The D&O further directed that these standards complement existing standards while remaining flexible to changing system conditions.

On February 8, 2010, the HECO Companies filed its “Proposed Reliability Standards” which provided fundamental reliability standards to a framework in the evaluation and assessment of renewable energy projects throughout Hawaii. Following the February 8 filing, the Commission requested the HECO Companies to clarify their proposal to defer distributive generation (“**DG**”) interconnection on Maui, Hawaii Island, Molokai, and Lanai and provide additional description on the proposal to convene a Reliability Standards Working Group (“**Working Group**”).

On February 26, 2010, the HECO Companies responded to the Commission’s request and proposed a Conceptual Framework for the Working Group (“**Proposed Framework**”). Within the Proposed Framework, the HECO Companies offered a description of the Working Group’s objectives, participants, structure, governance, technical studies, funding, prioritization of work schedule, and interaction with other regulatory proceedings and processes for the Working Group.

The Company acknowledges the importance of the Reliability Standards and the Working Group in providing technical evaluation and assessment of the proposed Reliability Standards. Regardless of the actions to evaluate the proposed Reliability Standards, the

Company recommends the Commission direct the HECO Companies to implement the FIT immediately without delay and in accordance with the D&O. While the Reliability Standards represent fundamental issues that will require other technical parties' collaboration, the Working Group may create additional delays in the implementation of FIT. Due to the importance of the Reliability Standards, the Commission could choose to open a separate docket on Reliability Standards to receive additional input from outside technical experts. Regardless of either course of action, the Company recommends no additional delays in the implementation of FIT on all Islands. Should the Commission following the HECO Companies recommendation to convene a Working Group, the Company offers the following comments on the Proposed Framework for the Working Group.

1) Working Group Role and Objectives

The Company supports the role and objectives of the Working Group, but recommends additional collaboration with intervening parties and technology experts on validation metrics, technology road map, and technical Reliability Standards. The Company supports the Working Group's first proposed objective to "commission a technical assessment of the proposed Reliability Standards by qualified research and development entities," however the Company recommends the Working Group validate the technical studies through metrics and procedural steps formulated and collaborated with additional intervening parties and technical partners. The Company also recommends the technology and policy roadmap and the technical Reliability Standards be formulated prior to the formation of the Working Group to allow for additional input, discussion, and collaboration from technical intervening parties and experts.

2) Participants and Operating Structure

In general, the Company supports the recommended participants and operating structure of the Working Group. The Company also supports the proposed Independent Facilitator to facilitate the proceedings and governance of the Working Group and liaison between the Working Group and Technical Support Group (“**Support Group**”). Due to the general nature of the Reliability Standards on interconnection, queuing, and FIT, the Company recommends the Working Group also incorporate intervening parties from the 14H docket that are not participating in the FIT docket. These 14H docket parties can provide additional comments and technical expertise on the interconnection requirements to ensure system reliability.

Participation in the Support Group should also not be limited to Working Group representation from the Independent Facilitator and the State Department of Business, Economic Development, and Tourism (“**DBEDT**”). The Support Group should incorporate additional members from the Working Group to provide more oversight and input into the technology studies. Without additional representation, the Working Group will solely rely on the Independent Facilitator and DBEDT to ensure the technical studies are conducted in accordance with the Working Group’s guidance and specifications. The additional representation will also increase the transparency and confidence in the internal work and governance of the Support Group. The Company acknowledges the sensitive nature of private company operating information and recommends the additional Support Group members be limited to one or two additional technical experts from the Working Group under agreement of non-disclosure.

3) Governance

The Company supports the operation of the Working Group to the extent that dissenting opinions should be reported to the Commission through procedural steps formulated by the Working Group. The Company also recommends the Working Group be composed of an “odd” number of individuals to prevent a split in the decision making process.

The HECO Companies proposed the Working Group be given “reasonable access” to the Support Group studies. In order for the Working Group to make educated decisions on fundamental issues, the Working Group should be given full access to the technical studies. *Additional representation from the Working Group to the Support Group may alleviate concerns* regarding the information security and confidentiality requirements which could be the reason to the HECO Companies’ proposed “reasonable access.” Regardless, the Working Group’s decision making process requires all pertinent technical information due to the impacts to interconnection and business concerns. *The Working Group should also be given the ability to* formulate the scope of the technical study, interpret the study’s results without Support Group influence, and set deadlines for the technical studies to expedite the Working Group’s decision making process.

4) Technical Studies

The Company supports “a transparent and integrated methodology to proactively evaluate distribution level impacts on the total system” and agrees that such technical studies are critical to the growth of DG in Hawaii; however the Company does not support any technical studies that will delay the initial release of FIT rates for all Islands. As mentioned earlier, the Support Group should have more participation from the Working Group other than the Independent

Facilitator and DBEDT to assist in formulating the technical studies' scopes, interpreting results, and providing additional oversight. The Support Group should arrange the scope of these studies such that the completion timeline does not interfere with the release of FIT rates on Maui and Hawaii Island.

5) Schedule

The Company does not support the schedule proposed by the HECO Companies with the Working Group's deadline of the final report in June 2011 thereby rendering the release of FIT rates on Maui and Hawaii Island nearly three years following the initiation of the FIT Docket. Following the initiation of the Working Group in April, the Working Group and Support Group should determine the scope of work of the proposed technical studies such that the studies can be completed no later than six months from the Working Group's initiation or November 2010. The Working Group should also meet at least twice each month during the first six months or until the first report is filed to the Commission, approximately September 2010. Following the completion of all technical studies, the Working Group will file the final report to the Commission in February 2011, four months earlier than the proposed June 2011 deadline.

In conclusion, the Company reiterates the recommendation to the Commission to not delay the implementation of FIT on all Islands, regardless of opening a separate docket on Reliability Standards or convening the Working Group. The Company acknowledges the importance of the proposed Reliability Standards and believes that these standards can be formulated and evaluated through the Commission's actions within the timeline and framework of the FIT Docket.

CERTIFICATE OF SERVICE

I hereby certify that I have on this date served a copy of _Sopogy, Inc. Comments on Proposed Conceptual Framework for Reliability Standards Working Group upon the following parties, by causing a copy hereof to be hand delivered, e-mailed, or mailed, U.S. postage prepaid, and properly addressed to each such entity.

DEAN NISHINA
EXECUTIVE DIRECTOR
Department of Commerce and Consumer Affairs
Division of Consumer Advocacy
P.O. Box 541
Honolulu, HI 96809

2 Copies
Via Hand Delivery

DEAN MATSUURA
MANAGER
REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P.O. Box 2750
Honolulu, HI 96840-0001

Electronically transmitted
dean.matsuura@heco.com
kevin.katsura@heco.com
scott.seu@heco.com
dan.brown@heco.com

JAY IGNACIO
PRESIDENT
HAWAII ELECTRIC LIGHT COMPANY, INC.
P.O. Box 1027
Hilo, HI 98627-1027

Electronically transmitted
Jay.ignacio@helcohi.com

EDWARD REINHARDT
PRESIDENT
MAUI ELECTRIC COMPANY, LTD.
P.O. Box 398
Kahului, HI 96733-6898

Electronically transmitted
Ed.reinhardt@mauielectric.com

THOMAS W. WILLIAMS, JR., ESQ.
PETER Y. KIKUTA, ESQ.
GOODSILL, ANDERSON, QUINN & STIFEL
Ali'i Place, Suite 1800
1099 Alakea St.
Honolulu, HI 96813

Electronically transmitted
twilliams@goodsill.com
pkikuta@goodsill.com

Counsel for HECO COMPANIES

ROD S. AOKI, ESQ.
ALCANTAR & KAHL LLP
120 Montgomery Street, Suite 2200
San Francisco, CA 94104

Electronically transmitted
rsa@a-klaw.com

Counsel for HECO COMPANIES

THEODORE PECK
DEPARTMENT OF BUSINESS, ECONOMIC
DEVELOPMENT, AND TOURISM
State Office Tower
235 South Beretania Street, Room 501
Honolulu, HI 96813

Electronically transmitted
TPeck@dbedt.hawaii.gov

ESTRELLA SEESE
DEPARTMENT OF BUSINESS, ECONOMIC
DEVELOPMENT, AND TOURISM
State Office Tower
235 South Beretania Street, Room 501
Honolulu, HI 96813

Electronically transmitted
ESeese@dbedt.hawaii.gov

MARK J. BENNETT, ESQ.
DEBORAH DAY EMERSON, ESQ.
GREGG J. KINKLEY, ESQ.
DEPARTMENT OF THE ATTORNEY GENERAL
425 Queen Street
Honolulu, HI 96813

Electronically transmitted
gregg.j.kinkley@hawaii.gov

Counsel for DBEDT

CARRIE K.S. OKINAGA, ESQ.
GORDON D. NELSON, ESQ.
DEPARTMENT OF THE CORPORATION COUNSEL
CITY AND COUNTY OF HONOLULU
530 S. King Street, Room 110
Honolulu, HI 96813

Electronically transmitted
gnelson1@honolulu.gov

Counsel for the CITY AND COUNTY OF HONOLULU

LINCOLN S.T. ASHIDA, ESQ.
WILLIAM V. BRILHANTE, JR. ESQ.
MICHAEL J. UDOVIC, ESQ.
DEPARTMENT OF THE CORPORATION COUNSEL
COUNTY OF HAWAII
101 Aupuni Street, Suite 325
Hilo, HI 96720

Electronically transmitted
wbrilhante@co.hawaii.hi.us
mudovic@co.hawaii.hi.us

Counsel for the COUNTY OF HAWAII

HENRY Q CURTIS
KAT BRADY
LIFE OF THE LAND
76 North King Street, Suite 203
Honolulu, HI 96817

Electronically transmitted
henry.liftoftheland@gmail.com
kat.lifeoftheland@gmail.com

CARL FREEDMAN

Electronically transmitted

HAIKU DESIGN & ANALYSIS
4234 Hana Hwy.
Haiku, HI 96708

jcfm@hawaiiintel.net

WARRAN S. BOLLMEIER, II
HAWAII RENEWABLE ENERGY ALLIANCE
Hawaii Renewable Energy Alliance
46-040 Konane Pl., #3816
Kaneohe, HI 96744

Electronically transmitted
wsb@lava.net

DOUGLAS A. CODIGA, ESQ.
SCHLACK ITO LOCKWOOD PIPER & ELKIND
Topa Financial Center
745 Fort Street, Suite 1500
Honolulu, HI 96813

Electronically transmitted
dcodiga@sil-law.com
champleym@hotmail.com

Counsel for BLUE PLANET FOUNDATION

MARK DUDA
PRESIDENT
HAWAII SOLAR ENERGY ASSOCIATION
P.O. Box 37070
Honolulu, HI 96837

Electronically transmitted
mark@dephawaii.com

RILEY SAITO
THE SOLAR ALLIANCE
73-1294 Awakea Street
Kailua-Kona, HI 96740

Electronically transmitted
rsaito@sunpowercorp.com

JOEL K. MATSUNAGA
HAWAII BIOENERGY, LLC
737 Bishop Street, Suite 1860
Pacific Guardian Center, Mauka Tower
Honolulu, HI 96813

Electronically transmitted
jmatsunaga@hawaiienergy.com

KENT D. MORIHARA, ESQ.
KRIS N. NAKAGAWA, ESQ.
MORIHARA LAU & FONG LLP
841 Bishop Street, Suite 400
Honolulu, HI 96813

Electronically transmitted
kmorihara@moriharagroup.com
knakagawa@moriharagroup.com
swilhide@moriharagroup.com

Counsel for HAWAII BIOENERGY, LLC

DANIEL A. KING
SEMPRA GENERATION
101 Ash Street, HQ 12
San Diego, CA 92101-3017

Electronically transmitted
daking@sempra.com

CLIFFORD SMITH
MAUI LAND & PINEAPPLE COMPANY, INC.
120 Kane Street

Electronically transmitted
csmith@mlpmaui.com

Kahului, HI 96732

CAROLINE BELSOM
VICE PRESIDENT/GENERAL COUNSEL
Kapalua Land Company, Ltd., a wholly owned subsidiary of
MAUI LAND & PINEAPPLE COMPANY, INC.
c/o 200 Village Road
Lahaina, Hawaii 96761

Electronically transmitted
caroline.belsom@kapalua.com

ERIC W. KVAM
CHIEF EXECUTIVE OFFICER
ZERO EMISSIONS LEASING LLC
2800 Woodlawn Drive, Suite 131
Honolulu, HI 96822

Electronically transmitted
ekvam@zeroemissions.us

GERALD A. SUMIDA, ESQ.
TIM LUI-KWAN, ESQ.
NATHAN C. NELSON, ESQ.
CARLSMITH BALL LLP
ASB Tower, Suite 2200
1001 Bishop Street
Honolulu, HI 96813

Electronically transmitted
gsumida@carlsmith.com
tlui-kwan@carlsmith.com
nnelson@carlsmith.com

Counsel for HAWAII HOLDINGS, LLC, dba FIRST WIND
HAWAII

CHRIS MENTZEL
CHIEF EXECUTIVE OFFICER
CLEAN ENERGY MAUI LLC
619 Kupulau Dr.
Kihei, HI 96753

Electronically transmitted
c.mentzel@clearenergymaui.com

HARLAN Y. KIMURA, ESQ.
Central Pacific Plaza
220 South King Street, Suite 1660
Honolulu, HI 96813

Electronically transmitted
hyk@aloha.net

Counsel for TAWHIRI POWER LLC

SANDRA-ANN Y.H. WONG, ESQ.
ATTORNEY AT LAW, A LAW CORPORATION
1050 Bishop Street, #514
Honolulu, HI 96813

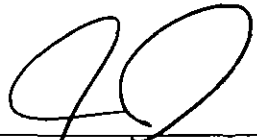
Electronically transmitted
sawonglaw@hawaii.rr.com

Counsel for ALEXANDAR & BALDWIN, INC. through its
division, HAWAIIAN COMMERCIAL & SUGAR
COMPANY

ISAAC H. MORIKAWA
DAVID L. HENKIN
EARTHJUSTICE
223 South King Street, Suite 400
Honolulu, Hawaii 96813-4501

Electronically transmitted
imoriwake@earthjustice.org

Dated: Honolulu, Hawaii, March 15, 2010



PAMELA ANN JOE, ESQ.
VP of Public Policy and General Counsel
Sopogy, Inc.